



Targeted Basic Need Programme

Information on Conditions of Funding and Making an Application

In the Autumn Statement on 5 December, the Chancellor announced that the Government will provide an additional £982 million investment in schools in England over the remainder of this Parliament over and above existing allocations. The Department for Education (DfE) is now launching the Targeted Basic Need Programme to fund the provision of new, high quality school places in locations experiencing basic need pressures in order to prepare for further rises in pupil numbers.

We want to ensure that basic need is met with higher quality, more diverse provision. The programme will therefore provide additional support to those local authorities (LAs) experiencing the greatest pressure on places through the funding of new Academies and Free Schools, as well as enabling investment to permanently expand good and outstanding schools with high levels of demand.

As LAs have a statutory responsibility for providing sufficient school places in their area, they will be responsible for submitting applications for capital funding to meet the identified need for high quality places in their area. This document sets out the application process for LAs that wish to be considered for inclusion in the programme.

LAs will need to provide evidence of basic need to support proposals for new pupil places that meet the needs of pupils, parents and communities. All LAs can apply for funding but LAs with significant proportionate levels of basic need pressures are encouraged to apply for this programme.

The programme will be delivered in two phases:

Stage 1 - LAs bid for capital funding to establish a new Academy or Free School or permanently expand existing high quality provision, on a site provided by the LA, to address basic need pressures. LAs will be responsible for the procurement and build of the new places. A provisional funding allocation will be awarded to successful bids for new schools. Funding for the expansion of good and outstanding schools will not be provisional.

Stage 2 – LAs identify proposers to establish high quality new schools and make recommendations to the Secretary

Timetable

It is anticipated that the first additional pupil places under this programme will be available from September 2014 with the remainder being available from September 2015.

Completed applications should be submitted electronically as set out in the instructions in this note. The deadline for applications is 12:00 noon on Tuesday, 30th April 2013. Any applications received after this deadline will not be considered.

The key dates relating to this process are summarised below and further information is provided in the accompanying Question and Answer document.

Launch of Targeted Basic Need Programme: 1 March 2013

Deadline for Receipt of Applications: 1200 on 30 April 2013

Target Date for Informing Applicants of the Outcome of their Application: June 2013

Conditions of Funding

LAs who wish to apply for basic need funding under this programme must comply with the following requirements:

Stage 1 - Bid Stage

Basic need/demand for pupil places

The LA is responsible for ensuring that the new provision will meet basic need. All LAs can apply for funding but LAs with significant proportionate levels of basic need pressures are encouraged to apply for this programme.

Strategic context

The LA must demonstrate how the annual basic need allocations have been used or are planned to be used and set out why additional funding is needed to meet basic need requirements.

Provision of suitable site/land

The site or land will be contributed by the LA for the purpose of the school build or expansion and DfE will not provide funding for this. The site or land must be suitable for the proposed new build or expansion and completion must be possible within the timetable. In order to secure opening by 2015, in most instances, this site or land will need to already be in the ownership of the LA (or close partner organisation). Applications where land is not yet within LA ownership will be considered but the ability to deliver the additional pupil places by September 2015 at the latest must be met.

New schools

Whilst we do not expect LAs to have fully worked up proposals at this stage, nor to have determined sponsors, we are seeking an initial assessment of how they will ensure the quality and diversity of new schools. LAs are asked to provide details of the criteria that they propose to use in seeking proposals and evidence of a range of potential sponsors.

Expansions

LAs putting forward applications to permanently expand existing good or outstanding school should discuss their proposals with all potential schools in the relevant catchment area – including schools that are not maintained by the LA. As part of the application process, LAs will provide information on why a particular school has been put forward for expansion, which other schools were considered and why they were not supported by the LA. We will be looking to fund the strongest proposals and, therefore, recommendations to expand must demonstrate significant oversubscription for places and clear evidence of high quality provision.

Allocation of funds

LAs whose bids for capital funding for new schools are successful will receive a provisional allocation of funding. This funding is dependent upon the approval by the Secretary of State of a high quality proposer to run the new school as a result of the LA undertaking the Academy/Free School presumption process. In order to meet the timescales, however, we envisage that LAs would be able to progress procurement of the buildings in the meantime.

Funding for expansions will not be provisional.

Level of capital funding

The capital funding provided to LAs will be based on the Education Funding Agency's (EFA's) Contractors' Framework rates, will be formulaically driven and will take account of baseline designs. These will be used as the ceiling of funding that will be given and examples are given in Appendix 1. LAs will be able to supplement this funding if they wish.

It is the responsibility of the LA to provide any funding that is above the Contractors' Framework rates and a commitment to this from the LA's S151 officer will be required. The programme funding will be released to LAs by EFA in line with an agreed timetable which will be detailed within the agreement made with successful applicants.

Procurement/contracting

LAs will be responsible for the procurement, contracting and build of the projects. They will identify a named contact to liaise with the EFA on progress towards the delivery of each project. This will include a requirement to contact the EFA should there be any slippage from the original timetable proposed and when the project has been completed. Funding will be provided to LAs to cover project management costs. This will be negotiated but can be up to £150,000 for each new build project.

Revenue costs

LAs are expected to make provision in their growth funds to support increases in pupil numbers relating to basic need. This relates to the per-pupil revenue funding in addition to the pre- and post-opening start-up funding, as the new Academy or Free School will be funded on a recoupment basis. This is detailed in full in the 2013-14 School Finance Regulations which were published in December 2012.

Stage 2 – Presumption Stage

Academy/Free School Presumption

Where an LA identifies the need to establish a new school, section 6A of the Education and Inspection Act 2006 places the authority under a duty to seek proposals to establish that school as an Academy or Free School. This is known as the Academy/Free School Presumption. LAs that are successful in securing Targeted Basic Need funding for a new school will seek proposals under the presumption to deliver the Academy or Free School to their specification. We expect LAs to use their local knowledge to generate new sponsors, for example, by encouraging strong local schools to take on this role. Guidance on the presumption process is available at:

<http://www.education.gov.uk/schools/leadership/schoolorganisation>

As with the current presumption process, early and continued engagement between the LA and DfE will be essential at all stages of the selection process.

Quality provision

All new school proposals that seek the Secretary of State's agreement to enter into a Funding Agreement must clearly demonstrate how they will deliver quality provision. The Department will shortly issue updated guidance for the Academy presumption process. However, proposals must set out how full use will be made of Academy freedoms to innovate and drive continued improvement. In particular, they must show:

- deliverability and value for money – the capability and capacity of the proposer to deliver their proposal on time and secure the best value for money;
- a focused and coherent educational plan that will raise standards and bring real quality to the places being added into the system; and
- the credibility and track record of the proposer and how the proposed governing body and governance model will drive improved standards.

Recommendations

The LA will assess the proposals and can, if they wish, make a recommendation to the Secretary of State who is the decision maker. It is for the Secretary of State to decide whether or not he will agree an 'in principle' funding agreement with any of the proposers presented to him or with another proposer of his choosing. The capital allocation will be confirmed following the Secretary of State's decision to enter into an 'in principle' funding agreement.

Information Required to Support Applications

The application form requires the following information:

Confirmation of conditions of funding

Applicants must indicate acceptance of these conditions (as outlined above in the “Conditions of Funding” section).

Details of the proposed site/land

The site or land proposed by the LA for the new build or expansion must be suitable for that purpose. Details will be required regarding the land condition, size, ownership and planning considerations.

Strategic context

Applicants are asked to explain how the proposed new or expanded provision fits within their Place Planning Strategy.

Capital strategy

Applicants are asked to provide detail on their current and planned capital programme to provide additional school places, including the funding stream. LAs are asked to explain why the new provision that forms the basis of the application for funds under the programme cannot be funded through other capital funding streams, including basic need funding allocations received from DfE and other capital sources, such as Section 106/CIL monies.

Demand data/basic need

Applicants are asked to provide clear evidence of basic need pressures in both the LA and the locality of the proposed additional provision. This will include providing actual and projected demand data for schools in close proximity to the proposed new school or planned expansion that cater for the same age group/cohort and information on available places.

Quality provision

All new schools funded under the programme will be run by high quality sponsors. The process to identify these is outlined above at “Stage 2 – Presumption Stage”.

At “Stage 1 – Bid Stage” we do, however, want LAs to provide information on how they plan to ensure the quality and diversity of any new school places funded. LAs should include information about the range of potential viable sponsors and details of the criteria that they intend applying at Stage 2.

Special Schools/SEN Provision

Applicants for additional Special School/SEN provision will need to provide responses to some additional questions relating to placement information and categories of need.

Assessment of Applications

The EFA will assess applications based on information provided by the LA in the application form and as outlined in paragraphs 9 & 10 above and put recommendations to Ministers.

The EFA may contact LAs for clarification on aspects of their application/s on such issues as:

- Matters relating to land or site ownership or suitability which could impact on the ability to deliver the project to time or budget,
- Forecast pupil demand and supply of school places data,
- School reorganisation issues or other statutory processes that cannot be resolved within the available timescales,
- Affordability constraints and
- Any other relevant issues.

Making an Application

A separate application form must be submitted for each new school and/or expansion. Applications must be made using the correct form and instructions on the form must be followed.

The completed application form/s should be submitted to the Targeted Basic Need Programme email address at TBNP.EFACAPITAL@education.gsi.gov.uk by the closing date. The email should be clearly titled – “Name of LA – application for x new schools and y expansions”. No hard copies will be assessed.

The application form contains four worksheets. All applicants must complete the first two worksheets - “Application details” and “Capital Programme” - and one of the other worksheets as applicable.

During the application period, any queries should be emailed to the Targeted Basic Need Programme email address at TBNP.EFACAPITAL@education.gsi.gov.uk and clearly marked “Query” with a brief description of the query also in the title box.

Appendix 1 – Funding Levels

New School Builds

The table below gives an indication of the levels of funding that will be available through the Targeted Basic Need Programme based on the notional size of new school builds. These levels will be used as the ceiling of funding that will be provided. Local authorities (LAs) will be responsible for providing any funding above these levels and confirmation of this will be required from the LA’s S151 officer.

The level of funding is based on the Education Funding Agency’s (EFA’s) Contractors’ Framework rates, is formulaically driven and takes account of baseline designs. This methodology is based on the EFA’s analysis of outturn costs on recent schemes and is also being used in the Priority School Building Programme. It ensures that a consistent funding allocation is provided that allows core facilities to be delivered. The level of funding will vary depending on the location and construction start date so the figures below should be used as a guide only.

The funding given covers: building, site costs, abnormals, professional fees, fixtures, fittings and equipment (FF&E), ICT infrastructure and ICT hardware.

In addition to the amounts detailed, additional funding for technical adviser fees (including project management) will be provided. This will be up to £150,000 per new build project.

Funding Examples for New Build Schools

	Primary 2 Form Entry (420 Places)	Secondary 7 Form Entry (1050 Places)
Inner London	£4,411,644	£15,300,077
Outer London	£4,144,558	£14,312,040
Outside London	£3,699,415	£12,665,312

Conversion and Refurbishment

The level of funding provided for the conversion and refurbishment of an existing building into a school will be discussed with successful applicants on a case by case basis. This is because there is likely to be large variation depending on a number of factors and, therefore, one level of funding will not apply to all cases. If an LA is submitting an application relating to a conversion or refurbishment, they are asked to send an email to TBNP.EFACAPITAL@education.gsi.gov.uk clearly marked "Refurbishment" and with contact details in the email. The EFA will then make contact in due course to discuss further.

Expansions

Expansions will be funded at the same rate per m2 as new build schools.

Special Schools/SEN Provision

The level of funding provided for the building or expansion of a Special School or SEN provision will be discussed with successful applicants on a case by case basis. It is likely that there will be large variations depending on a number of factors and to apply one level of funding to all Special School/SEN provision across the Targeted Basic Need Programme is not considered to be appropriate.